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Need for accurate news on stock market

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I WAS surprised to hear over the English news on TV3 last Friday night a representative from Yamaichi Advisory Services, Mr Abe, commenting on the current and future state of our stock market. Among other things, he said there is a question of political uncertainty in the next two months as Prime Minister Datuk Seri Dr Mahathir Mohamad has announced that he is going on leave.

According to Abe, investors are worried about Dr Mahathir's health. He went on to talk of a "glut" our property market is facing, with "shophouse not being sold". He said the fact that the economy has grown at a very high rate for almost a decade raised concern of the country's ability to sustain such expansion.

In short, he painted a very gloomy and negative picture of the market. Imagine - all these negative views were presented by the television station as the position of the market will hold currently and in the near future.

These comments were made despite the fact that Dr Mahathir had asked the people not to speculate on the reasons for his taking two months' leave. He explained that he is in good health and yet Mr Abe created the impression that Dr Mahathir is not. The part about the economy being unable to sustain its high growth sounds like an old gramophone.

Too often, inaccurate views on the market have been presented on this channel, so much so sometimes one feels it is there because there is a slot in the news which needs to be filled. The views are sometimes atrocious, and in the case of last Friday night, highly speculative.

Dr Mahathir commented on such so-called "analysts' views" at a dinner to hand out donations to charitable organisations recently. He said the views expressed could be to sway investors to act in a certain way beneficial to the "analyst" or the "experts", perhaps because of their positions in the market.

Trying to depress a market can be looked upon as an attempt to capitalise on the market. Even Bank Negara denied that the fall in the market recently had anything to do with its guidelines on lending for property and share financing.

Imagine what an investor would think of the market after listening to Abe last Friday night. It would reinforce the speculation others had made over the long vacation Dr Mahathir is taking, and created in the minds of others like him, who are already jittery of the market, worry and uncertainty over market conditions.

There are investors who will probably look up to his views and be influenced by them to act in some adverse way since he is a "representative" of one of Japan's big four securities houses.

This is not to suggest that the station should air only "good" news. The word is "accurate" or "non-speculative" as we are trying very hard to stamp out excessive speculation in our market. The views expressed on the market must be well-rounded, and based on facts, not speculation.

The fact that Yamaichi is one of the big four securities houses in Japan does not entitle its representative to say anything he fancies on our market. For that matter, any of the big four securities houses from anywhere.

I have a friend who has worked in the biggest American securities company. During his tenure he has had 14 bosses, and that is considering

he is in quite a senior position. He observed that our analysts and fund managers do not bounce back, repond, react every time a foreigner or a foreign houses says something or takes a certain position in our market.

We are not in a position to put across our views possibly because our research is lacking in quality and the feeling that our views are inferior to those of outsiders. We take foreigners' views no matter how negative and adverse they can be (sometimes highly inaccurate too) as the gospel truth just because they are generated thousands of miles away.

If our market's decline follows a fall elsewhere, then we are quick to say our downtrend is merely taking after the foreign market, but if the overseas bourse has an explosive increase and ours is still declining, then we blame it on the fact that the Prime Minister has decides to go on leave, or something else domestic.

If those entrusted to put across correct views to investors in an effort to educate them also adopt a similar position as the analysts, fearful of providing the right perspective, then our market will never mature. In order for our market to develop, its constituents must develop - and this consists of a host of parties, including analyst, advisers and fund managers, and certainly not forgetting the media, both printed and electronic.

Until recently this same television channel was showing the commodity exchange trading floor when the news was on the stock exchange. Nobody cared that the stock exchange has gone fully automated and there is no trading floor. To those responsible, it was perhaps just a slip in a video clip, as long as the space is filled with something. That seems to be the attitude.

As for fund managers and securities advisers, somebody elsewhere could be reaping the benefit of introducing a new instrument based on the components of our markets when we ourselves fail to capitalise on such opportunities. Even the volatility of the market has been turned into numerous opportunities by those in other markets. The earlier we make amends, the better.

(This article reflects the writer's personal views)

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